

PARTNER BATON ROUGE OFFICE * Also Admitted In Texas

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March 7, 2002

Honorable Felix J. Boudreaux Commissioner of Conservation State of Louisiana P. O. Box 44275 Baton Rouge, LA 70804-4275

> Re: CIB H 2, Reservoir B, Bayou Sorrel Field, Iberville Parish, Louisiana

Dear Commissioner Boudreaux:

On behalf of National Energy Group, Inc. and NEG Operating, LLC ("Applicants"), application is hereby made for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the CIB H 2, Reservoir B, in the Bayou Sorrel Field, Iberville Parish, Louisiana:

CIB H 2

- To permit Applicant to complete and utilize its Schwing No. 1 ST Well, located as shown on the attached plat, as a second alternate unit well for CIB H 2 RB SUA.
- To find that the proposed alternate unit well is necessary to efficiently and 2. economically drain a portion of the CIB H 2, Reservoir B, underlying CIB H 2 RB SUA which cannot be efficiently and economically drained by any existing well within the unit.
- To permit the Operator of CIB H 2 RB SUA to produce the allowable assigned to this unit from the unit well, the alternate unit wells or from a combination of such wells, at the option of the Operator.
- To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

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The CIB H 2, Reservoir B, in the Bayou Sorrel Field, Iberville Parish, Louisiana, was defined in Office of Conservation Order No. 347-P-1, effective October 22, 1996.

Pertinent data concerning this application is available for inspection at the offices of National Energy Group, Inc., Two W. 2nd Street, Tulsa, OK 74103-3103. Any person desiring to inspect such data should contact National Energy Group at 214-692-9211 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport District of the office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and of the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bayou Sorrel Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Very truly yours,

STRAIN, DENNIS, MAYHALL

& BATES, L.L.P.

William S. Strain

WSS:mbw

cc: District Manager, Richard Hudson

Interested Owners, Represented Parties and

Interested Parties

